

2025 Tennessee Health Care Innovation Initiative BlueCareSM Thresholds and Methodology

Episode	Acceptable Level	Commendable Level
Asthma	\$1,293	\$551
Perinatal	\$8,665	\$7,058
Total Joint Replacement	\$13,606	\$8,126
Acute PCI	\$19,397	\$11,301
Colonoscopy	\$1,604	\$1,113
COPD	\$3,495	\$1,080
Cholecystectomy	\$6,580	\$4,635
Upper GI Endoscopy	\$1,702	\$1,136
Gastrointestinal Hemorrhage (GIH)	\$4,454	\$2,128
Urinary Tract Infection -Inpatient	\$10,094	\$5,276
Urinary Tract Infection -Outpatient	\$183	\$121
Pneumonia	\$2,407	\$1,213
Respiratory Infection	\$193	\$118
Congestive Heart Failure Acute Exacerbation	\$9,526	\$5,048
Attention Deficit and Hyperactivity Disorder	\$771	\$247
Bariatric Surgery	\$9,914	\$4,451
Oppositional Defiant Disorder (ODD)	\$1,960	\$352
Breast Biopsy	\$2,257	\$1,347
Otitis Media	\$222	\$117
Tonsillectomy	\$3,620	\$1,706
Diabetes Acute Exacerbation	\$7,535	\$3,551
Pancreatitis	\$9,735	\$5,965
Skin and Soft Tissue Infection	\$404	\$151
Spinal Fusion	\$31,031	\$11,398
Spinal Decompression	\$9,329	\$4,825
Knee Arthroscopy	\$5,142	\$2,736
Non-operative Ankle Injury	\$474	\$232
Non-operative Wrist Injury	\$617	\$207
Non-operative Shoulder Injury	\$543	\$237
Non-operative Knee Injury	\$654	\$307
Back/Neck Pain	\$569	\$347
Acute Seizure	\$2,323	\$1,072

Syncope	\$912	\$324
Bronchiolitis	\$1,007	\$484
Pediatric Pneumonia	\$1,288	\$702
Colposcopy	\$639	\$290
Hysterectomy	\$9,360	\$3,232
GI Obstruction	\$10,201	\$4,695
Appendectomy	\$7,316	\$3,323
Hernia Repair	\$5,342	\$2,299
Acute Gastroenteritis	\$1,059	\$499
Acute Kidney and Ureter Stones	\$1,214	\$647
Cystourethroscopy	\$1,986	\$851

METHODOLOGY

Baseline Method: Actual costs from provider episodes are risk-adjusted and aggregated by the quarterback. Quarterbacks with risk-adjusted average costs above the Acceptable Level are subject to a penalty equal to 50% of the difference between their risk adjusted cost and the Acceptable Level. Quarterbacks with risk-adjusted average costs below the Commendable Level receive a bonus equal to 50% of the difference between their risk-adjusted average cost and the Commendable level.

The following parameters are used in the baseline calculations:

- Acceptable Levels are set at 90th percentile of quarterbacks.
- Commendable thresholds are calculated to have projected bonuses equal to the amount of projected penalties after taking into account the impact of quality metrics.
- Gains per quarterback are capped based on a Gain Share Limit.